

UNITED STATES CIVIL SERVICE COMMISSION

BUREAU OF RETIREMENT AND INSURANCE

WASHINGTON, D.C. 20415

IN REPLY PLEASE REFER TO

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Original hand-carried [redacted] 22, 1966
 by HOD on 6/29/66

[redacted]

President
 Government Employees Health
 Assn., Inc.
 Post Office Box 463
 Washington, D. C. 20004

YOUR REFERENCE

2. Return *6/29/66*

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Dear [redacted]

On November 16, 1965, and April 16, 1966, the Commission proposed changes in the health benefits regulations. After consideration of comments, the Commission adopted the April 16, 1966, proposal for an open season November 14 through November 30, 1966, for employees to enroll, and for employees and annuitants to change enrollment. This rule was published in the Federal Register on June 17, 1966.

The proposal of November 16, 1965, has been modified after the consideration of comments and, as modified, is adopted and published in the Federal Register on June 23, 1966. All amendments are effective immediately except that which forbids limiting benefits to a person in hospital on effective date of enrollment if the injury or illness causing hospitalization was sustained or incurred after his registration to change enrollment, which becomes effective at the beginning of the next contract period. Limitations for persons enrolling for the first time remain as at present. Copies of this modified amendment are enclosed.

Sincerely yours,

Andrew E. Ruddock
 Director

Enclosure

THE MERIT SYSTEM—A GOOD INVESTMENT IN GOOD GOVERNMENT

TITLE 5 - ADMINISTRATIVE PERSONNEL

CHAPTER I - CIVIL SERVICE COMMISSION

PART 890 - FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM

On November 16, 1965, a notice of proposed rule-making was published in the Federal Register (30 F. R. 14329) stating that the Civil Service Commission proposed to amend Part 890 of Title 5 of the Code of Federal Regulations as set forth therein, and that it was proposed to make the amendments effective January 1, 1966. Interested persons were allowed 30 days from the date of publication in which to submit written comments, suggestions, and objections.

Several comments were received, of which some raised sufficient question that it was necessary to postpone the proposed effective date. In the meantime the Commission has proposed a change in regulations to provide an open season. For this reason the amendments to paragraph (d) of section 890.301 and to paragraph (c) of section 890.306 proposed on November 16, 1965, have been dropped. An amendment to section 890.205 has been added to meet the objection of a carrier who feared that the proposed amendments to section 890.202 might be construed so as to produce an unfavorable, and unintended, result on carriers.

The Commission has given full and careful consideration to the objections to the proposed amendment of section 890.201 and to proposed alternatives, and has determined that to avoid hardship to employees who suffer unforeseen injury or illness while in transition between plans and at the same time avoid creating undue administrative problems or appreciable additional liability to carriers, the proposed revision of section 890.201(b)(1), modified as set out below, is desirable. Therefore,

It is ordered, That effective on the date of publication in the Federal Register for all amendments except that to section 890.201(b) (1), and effective January 1, 1967, for the amendment to section 890. 201(b)(1), Part 890 of Chapter I of Title 5, Code of Federal Regulations is amended as follows:

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(1) Section 890.201(b)(1) is amended to read as follows:

Section 890.201 Minimum standards for health benefits plans.

* * * *

(b) To be qualified to be approved by the Commission, a health benefits plan shall not:

(1) Deny a covered person a benefit provided by the plan for a service performed on or after the effective date of coverage solely because of a pre-existing physical or mental condition, or require a waiting period for any covered person for benefits which it provides. This subparagraph does not preclude a plan (i) offering benefits for dentistry or cosmetic surgery, or both, limited to conditions arising after the effective date of coverage, or (ii) with the approval of the Commission, limiting benefits for services performed for a person who, on the effective date of enrollment or change of enrollment, is confined in a hospital or other institution so long as the person is continuously confined therein, but benefits for persons hospitalized on the effective date of enrollment may not be limited (A) if the enrollment or change is because of discontinuance of his former health benefits plan, in whole or in part, or pursuant to an order of the Bureau of Retirement and Insurance, or (B) if the services are provided for injuries suffered in an accident which occurred, or for an illness first diagnosed or treated, after the date his employing office received a registration to change the covering enrollment from one plan or option to another. In this subparagraph "continuously confined" means one or more periods of confinement without a break of

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31 consecutive days between actual confinements except that a carrier, by agreement with the Commission, may provide that a shorter break terminates a continuous confinement.

* * *

(2) Section 890.202 is amended by striking "The Commission shall approve a health benefits plan only when the carrier of the plan meets", and inserting instead "The carrier of an approved health benefits plan must meet", and by striking the words "agree to" in paragraphs (c), (d), (e), and (f).

(3) Section 890.205 is amended by inserting "or carrier" before the final period in paragraph (a) and by striking "of a plan" in paragraphs (b) and (e).

(4) Section 890.301(k) is amended by inserting in the final sentence, after "enrollments", "upon termination of the plan in which enrolled".

(5) Paragraph (r) of section 890.301 is revoked.

(6) Section 890.303(b) is amended by striking "full-time, or part-time with a regular tour of duty" and "(3),".

UNITED STATES CIVIL SERVICE COMMISSION

Mary V. Wenzel
Executive Assistant to the
Commissioners